

**SWAPTE
COMBINED EXECUTIVE AND FINANCE COMMITTEE MEETING
ALABAMA CAREER CENTER
DECEMBER 11, 2019**

Present: Carol Statter – Chair, Mike Hare, Ola Anise, Clinton Johnson, Beth Hanks, Charles Pharr

Absent: John Clyde Riggs, Stan Chavis

Staff: Sydney Raine, Lisa Thomas, Cindy Nelms, Pam Ware, Yolanda Taylor

The meeting was called to order at 11:58am by Chairperson Statter. Statter asked if we had a quorum and Mr. Raine replied “yes”, with Ola Anise on the way.

Reading of Agenda

Upon motion duly made and seconded, the agenda was unanimously approved as read.

Reading of Minutes

Upon motion duly made and seconded, the September 12th Executive Committee Meeting minutes were approved as read.

Finance Report

Lisa Thomas, V.P. Finance

Ms. Thomas reports on the **1st Quarter** (July – September).

Administrative Expenses: We have a budget of \$895,578. YTD admin expenses \$114,192 leaving a budget variance of \$781,386. We are at 12.75%, we should be at 25%. We are under the admin budget as usual, however as a reminder we can use the money left over in admin within the program if it looks like there will be money remaining.

Program Overhead: We have a budget of \$2,977,697. YTD program expenses \$676,210 leaving a budget variance of 2,300,817. We are now at 22.71%, we are close to our 25% but not over which is good.

Miscellaneous: Incentive grant – \$332,792 awarded July 1, 2018 and we have until June 30, 2020 to spend. YTD, we have \$65,000 of expenses, leaving the incentive funding balance \$267,792 which will be spent.

Program Summary: 3 Funding Sources – Adult, Dislocated Workers and Youth

Adult revenue was \$4,517,535 and with program distribution cost and program overheads, ITA’s, and OJT’s we had total expenditures of adults of 1,789,361.28. This left us a balance of 2,728,174. *Dislocated Workers* we started with a revenue of 5,400,315 and within the program overhead – ITA’s and OJT’s we had expenditures of \$102,675.79 which left a balance of \$5,297,639. We will transfer any carry forward funding of dislocated workers to adult that will expires June 30th.

Youth service budget – Budget \$6,486,559. Contract expense \$465,147.66 and program cost overhead from operations \$229,911 leaving a revenue balance of \$5,791,500.

- Raine asked about the period left to spend the youth’s budget. Thomas responded that there are two years to spend the youth’s budget which includes the carry forward.

- Raine asked about rescinding of funds to the state from the previous year. Thomas confirmed that no funds were rescinded.

Upon motion duly made and seconded, the Finance Report was accepted as reported.



TO: Sydney Raine, President
FROM: Lisa Thomas, Vice President Finance
RE: Financial Update
DATE: December 3, 2019

For your review, I have prepared the financial statements of SWAPTE, (Region 7) for the quarter ended September 30, 2019. July represents the first quarter of our fiscal year which began on July 1, 2019. We should be operating at 25% of budget projections.

Administration

Administrative Summary Expenses

	Budget 2019-20	Y-T-D Admin Expenses	Budget Variance	Y-T-D Percentage
Labor Cost	650,000	75,494	574,506	11.61%
Non-Labor Cost	245,578	38,698	206,880	15.76%
Total	895,578	114,192	781,386	12.75%

As shown above, administrative costs as of September 30, 2019 were at 12.75% of budget projections with expenditures totaling \$114,192. Labor costs were at 11.61% of budget projections or \$75,494. Non-labor costs for the quarter ending September 30 were \$ 38,698 or 15.76% of the annual budget.

Program

Program Overhead

	Budget 2019-20	Y-T-D Program Expenses	Budget Variance	Y-T-D Percentage
Labor Cost	650,000	156,839 \$	493,161	24.13%
Non-Labor Cost	2,327,697	519,371	1,807,656	22.31%
Total \$	2,977,697	\$ 676,210 \$	2,300,817	22.71%

Program overhead expenses for the quarter totaled \$676,210. This amount is comprised of \$156,839 in labor costs and \$519,371 in non-labor costs. Total costs were 22.71% of budget projections for the quarter.

Miscellaneous

	Incentive (07/01/2018-06/30/2020)		
	Budget	Y-T-D Expense	Balance
PY 17 Incentive-Adult	17,212	-	17,212
PY 17 Incentive-Youth	121,811	-	121,811
PY 17 Incentive-DW	17,211	-	17,211
FY 18 Incentive-Adult	95,062	65,000	30,062
FY 18 Incentive-DW	81,496	-	81,496
Total \$	332,792	\$ 65,000	\$ 267,792

SWAPTE (Region 7) was awarded incentive funding (07/01/2018) based on past year performance in the total amount of \$ 332,792. Region 7 has year to date expenditures of \$ 65,000. The funding balance remaining as of 09/30/2019 is \$ 267,792. SWAPTE has until 06/30/2020 to expend.

Program Summary

Below for your review is a summary of program expenditures by funding type:

	Program Activities Budget Summary			
	Adult	Dislocated	Youth	Total
2019-2020 \$	4,517,535	\$ 5,400,315	\$ 6,486,559	\$ 16,404,409
(-)Expenditures to Date	1,789,361	102,676	695,059	2,587,096
Budget balance	2,728,174	5,297,639	5,791,500	13,817,313

As shown above, Adult expenditures through September 30 totaled \$1,789,361. This leaves a budget balance of \$2,728,174.

Dislocated worker expenditures for the quarter ending September 30 totaled \$102,676 which leaves a balance of \$5,297,639.

Youth expenditures through the quarter totaled \$695,059 which left a budget balance of \$5,791,500.

Conclusion

While this narrative includes a summary of activities through September 30, 2019 detailed expenditures are attached to this report.

SWAPTE

ATTACHMENT 2

Financial Report

for the Quarter ended Sept 30, 2019

Administrative Overhead				
Description	Budget 2019-20	Y-T-D Expenditures	Remaining Balance	Percentage Expended
Salaries, Taxes & Benefits	650,000	75,494	574,506	11.61%
Net Labor Cost	650,000	75,494	574,506	11.61%
Audit Expense	21,500	-	21,500	0.00%
Computer Maintenance, Supplies, Softwa	15,000	345	14,655	2.30%
Council Expense	1,500	966	534	64.38%
Equipment, Rental	3,000	347	2,653	11.57%
Equipment, Service and Repair	2,000	412	1,588	20.62%
Facilities Rent	30,000	7,649	22,351	25.50%
Insurance, Directors and Officers	7,050	-	7,050	0.00%
Insurance, Errors & Omissions	3,360	3,101	260	92.28%
Insurance, General Liability	1,000	732	268	73.20%
Legal Expense	2,000	-	2,000	0.00%
Office and Expendable Supplies	15,000	5,209	9,791	34.72%
Office equipment	1,000	-	1,000	0.00%
Depreciation expense	2,000	-	2,000	0.00%
Postage, Shipping, & Delivery	1,500	83	1,417	5.53%
Subscriptions and Memberships	1,000	977	23	97.71%
Telephone and Internet	15,000	4,525	10,475	30.17%
Training and Workshops	10,000	1,500	8,500	15.00%
Travel-Local Mileage	1,000	-	1,000	0.00%
Travel-Out of Area-Staff	25,000	4,608	20,392	18.43%
Marketing/Economic Development	30,000	-	30,000	0.00%
Monitor	50,508	7,507	43,001	14.86%
Staff Support	1,000	324	676	32.41%
Consultant Fee	5,000	-	5,000	0.00%
Archive Record Storage	1,160	412	748	35.56%
Non Labor Cost	245,578	38,698	206,880	15.76%
Total Expenditures	895,578	114,192	781,386	12.75%

SWAPTE

ATTACHMENT 2

Financial Report
for the Quarter ended Sept 30, 2019

Program Overhead

Description	Budget 2019-20	Y-T-D Expenditures	Remaining Balance	Percentage Expended
Salaries, Taxes & Benefits	650,000	156,839	493,161	24.13%
Labor Costs	650,000	156,839	493,161	24.13%
Computer Maintenance, Supplies, Software	20,000	9,296	10,704	46.48%
Equipment, Rental	5,000	412	4,588	8.25%
Equipment, Service and Repair	5,000	-	5,000	0.00%
Facilities Rent	60,000	14,848	45,152	24.75%
Insurance, Errors & Omissions	3,500	3,101	400	88.59%
Insurance, General Liability	1,000	732	268	73.20%
Insurance-Participant	1,300	-	1,300	0.00%
Interest Expense (Income)	(30)	-	(700)	0.00%
Legal Expense	2,000	-	2,000	0.00%
Marketing and Outreach	50,000	12,670	37,330	25.34%
Basic Education and Testing Supplies	500	65	435	12.96%
Office and Expendable Supplies	10,000	2,052	7,948	20.52%
Printing	2,500	-	2,500	0.00%
Postage, Shipping, & Delivery	2,000	32	1,968	1.58%
Travel-Local Mileage	5,000	2,047	2,953	40.94%
Travel-Out of Area	15,000	6,488	8,512	43.25%
Staff Training	10,000	12,563	(2,563)	125.63%
Archive Record Storage	1,000	636	364	63.59%
ADOL Invoice	2,133,927	454,429	1,679,498	21.30%
Non Labor Cost	2,327,697	519,371	1,807,656	22.31%
Total Expenditures	2,977,697	676,210	2,300,817	22.71%

SWAPTE
Financial Report
for the Quarter ended Sept 30, 2019

ATTACHMENT 2

Adult Services Budget	Budget 2019-20
Program Revenue Carry Forward PY 18	1,309,380
Program Revenue PY 19	506,511
Program Revenue (FY 2020) Oct 1st	2,701,644
Total Revenue Available	\$ 4,517,535

	Budget 2019-20	Y-T-D
Program Cost Distribution from Operations		392,202
Individual Training Accounts	4,500,000	1,215,744
OJT Program	1,000,000	181,416
Expenditures to Date		1,789,361.28
Balance of Funds		\$ 2,728,174

Dislocated Services Budget	Budget 2019-20
Program Revenue Carry Forward PY 18	2,713,717
Program Revenue (FY-2019)	467,613
Program Revenue (FY 2020) Oct 1st	2,218,985
Total Revenue Available	\$ 5,400,315

	Budget 2019-20	Y-T-D Expense
Program Cost Distribution from Operations		54,097
Individual Training Accounts	100,000	15,915
Incumbent Worker	10,000	-
OJT Program	125,000	32,664
Expenditures to Date		102,675.79
Balance of Funds		5,297,639

SWAPTE
Financial Report
for the Quarter ended Sept 30, 2019

ATTACHMENT 2

Youth Services Budget	Budget 2019-20
Program Revenue Carry Forward PY 18	3,403,685
Program Revenue (PY 2019)	3,082,874
Total Revenue Available	6,486,559
Year to Date Contract Expense	465,148
Program Cost Distribution from Operations	229,911
 Total Expenditures	 695,059.06
Budget Balance	5,791,500

Contracts Approved:	Budget	Y-T-D Expenditures	Remaining Balance	Percentage Expended
Dearborn Street YMCA	285,972	45,894	240,079	16%
Dynamic Education Systems	840,156	200,619	639,537	24%
Goodwill Easter Seals	296,927	65,463	231,464	22%
Bishop State Comm College	296,633	25,288	271,345	9%
Reid State Tech College	279,819	52,831	226,987	19%
Coastal Youth Program	102,782	11,908	90,874	12%
Auburn University Hope Place	149,655	15,827	133,828	11%
Family Guidance	100,000	-	100,000	0%
Alabama Dept of Rehab Services (4/1/19)	100,000	15,097	84,903	15%
Goodwill Easter Seals/Inschool Youth	126,936	9,299	117,637	7%
Mobile Area Education Foundation	137,267	-	137,267	0%
University of South Alabama	91,790	1,026	90,764	1%
Foley High School(Baldwin County)	86,507	10,331	76,176	12%
Baldwin Coutny High (Baldwin County)	86,507	11,564	74,943	13%
 Total Funds	 2,980,951.23	 465,147.66	 2,515,803.57	 16%
In School Youth Services	629,007	47,317	581,690	8%
Out of School Youth Services	2,351,944.12	417,830.35	1,934,113.77	18%
Total Contract Amount	2,980,951	465,148	2,515,804	16%
Program Expenses (ITA/OJT)	200,000	-	200,000	0%
Percentage In School	21%	10.17%	23.12%	
Percentage Out of School	79%	89.83%	76.88%	

Revised Allocations, New Incentive Funding, and Funding to be Spent by 6/30/20

Lisa Thomas, V.P. Finance

- Revised Allocations

These funds are in addition to the revenue that are available. These funds were received after September and are not included in the finance report. *The finance report reflects those funds up to September 30th.* On October 30, 2019 a directive was received in reference to four local areas that did not spend all their funding. Region 7 became eligible and was awarded \$1,002,838 in additional funding. After a meeting with Mr. Raine and Cindy Nelms, the dislocated worker portion was immediately transferred to the Adult program funding because the money will need to be spent by June 30, 2020.

REVISED ALLOCATIONS

OCTOBER 30, 2019 SWAPTE (REGION 7) received a directive PY17/FY18 from the State of Alabama. This directive indicated a recapture of unspent funds by 4 Local Areas. Therefore the 3 eligible remaining local areas which includes SWAPTE would receive a reallocation of the unspent funds in addition to their regular awarded amount.
 These funds must be spent by 06/30/2020 for program activities. A breakdown of this reallocation is below. SWAPTE has transferred all Dislocated funds to the Adult funding source. Region 7 has already obligated all of these funds to date and will be shown on the 2nd quarter finance report.

WIOA Funding Sources	PY 17	FY 18	TOTAL
Youth	\$ 207,970	\$ -	\$ 207,970
Adult	\$ -	\$ 172,149	\$ 172,149
Dislocated Worker	\$ -	\$ 622,719	\$ 622,719
Dislocated Worker TRANSFER	\$ -	\$ (622,719)	\$ (622,719)
Adult TRANSFER		\$ 622,719	\$ 622,719
Totals	\$ 207,970	\$ 794,868	\$ 1,002,838

- New Incentive Funding

These funds were received in November 2019. Based on performance, we received \$428,998 which is the highest in the state. The difference between what was received the previous year and the current year is \$ 96,206. The new funding would need to be spent by June 30, 2021.

- Funding to be spent by 6/30/2021

These are broken down in the following charts:

State re-allocation of \$1,000,000 which has already been obligated. The incentive - \$267,000 remaining and was drawn down on yesterday 12/17/2019. The carry forward for PY 18 and FY 19 was \$3,653,192 for a total of \$3,920,924 that needs to be spent by June 30th. Most of these funds have been obligated.

WIOA
New Incentive Funding

Swapte Incentive

Funding Source	2018-2020	2019-2021	Difference Increase	%
Adult	\$ 112,274	\$ 137,341	\$ 25,067	22%
Dislocated Worker	\$ 98,707	\$ 162,911	\$ 64,204	65%
Youth	\$ 121,811	\$ 128,746	\$ 6,935	6%
Sub-total	\$ 332,792	\$ 428,998	\$ 96,206	29%
Totals	\$ 332,792	\$ 428,998	\$ 96,206	

Note:

SWAPTE (REGION 7) 2018-2020 incentive has a balance of \$ 267,792.00 as shown on 1st Quarter finance report. This balance must be expended by June 30, 2020 in which SWAPTE anticipate will be spent on program activities between the 2nd and 3rd quarter of this fiscal year and will be shown on upcoming finance reports.

SWAPTE (REGION 7) 2019-2021 incentive must be expended by June 30, 2021 and will be used for future activities before expiration date.

FUNDING TO BE SPENT BY 06/30/2020

The chart below is a recap of information provided in the finance report. The graph gives an overview to date for Region 7 on funding sources, amounts expended or already obligated and the remainder to be expended by 06/30/2020. With current expected activity of new OJT contracts, recent enrollments, and extended outreach from our youth providers our goal of the 06/30/2020 deadline will be met by the 2nd and 3rd quarter and upcoming finance reports will reflect our achievement.

WIOA Funding Sources	Allocation	Expended/Obligated	TOTAL
State Reallocation	\$ 1,002,838	\$ 1,002,838	\$ -
PY 17/FY18 Incentive	\$ 332,792	\$ 65,000	\$ 267,792
PY18/FY19 Carry Forward	\$ 7,426,782	\$ 3,773,590	\$ 3,653,192
Totals	\$ 8,762,412	\$ 4,841,428	\$ 3,920,984

Committee Report

Cindy Nelms, V.P. Planning/Contracts

There were no committee meetings for the quarter. Meetings are being scheduled for the 3rd quarter. At the full Board meeting next week, we will be asking Board Members to identify a committee if they are not presently on one and/or if they want to change committees.

Apprenticeships will be added to upcoming programs. We will be asking for renewal contracts for the youth providers and will be looking at their performance. We will be putting our request to procure new auditors which is done every three years. We are coming up on the mandatory certification of our career centers which also take place every three years. We are working on a process with the State to identify and enroll people with disabilities more straight forward in terms of what the State requires.

Training providers - Certified for services by being screened and placed on the State's eligible training providers list. We make our payment to those providers based on the duration of the training. Some of the programs leave the clients with a high balance at the end of their training and some of the employees are asking for an increase in reimbursements. We are looking into that and feel that an increase should be the same across the board. We are looking to make guidelines for the increase and will present them for consideration.

Performance Report

Sydney Raine, President

1st Quarter Performance - We did not meet or exceed the goals that were established but by the end of the year we should be in place. One of the problems that we are having is with data entry which is a staff driven process. Next year we will be going to a new system (GEO Solutions) which may create new problems. Statewide performance - We missed one of their requirements. All regions are having issues somewhere. Performance goals are set at the Federal level down to the State and passed down locally.

Traffic (Career Center - Region 7) - ITA's --- 1002 participants and of that 268 has completed. OJT --- 43 contracts with 76 participants 8 completed. Youth --- 203 participants. 1281 individuals were served in the 1st quarter within Region 7. Door Count - 21,636 individuals came through the door. All individuals may not have come to get services from our organization but of those we serviced the 1281.

Marketing Snap Shot
Pam Ware, Director of Marketing

1st Quarter overview - Public Relations focused heavily on print advertisements for ITA's and OJT which featured clients and business owners and were placed in local newspapers and on social media. 3800 people searched our site and there were 41 new e-news subscribers for the 1st quarter. Outreach - we are creating partnerships with businesses, colleges and Universities. Region 7 has participated in colleges open house, worked with the advisory boards within the school system, and Business Expo's to name a few. ADS placed in newspapers reflect what's going on in that area.

Upcoming - Baldwin County Job Fair, Project Homeless Connect, Mobile Career Center Job Fair and School Tours

Annual Report - Distributed to BSR, State and Local Officials

President Report
Sydney Raine, President

New Business - New Board Members --- Fred Moore with Mobile Electrician Union (recommended by the State), Dr. Craig Pouncey, President of Coastal College, and Susan Rhodes, Comfort Care Hospice. We still have vacancies to fill. Ron Mitchell will help with names that can be presented to Commissioner Carl. We are attempting to get in touch with the Mayor of Foley however, he is part-time, to make him aware of what is going on in the program.

Flight Path 9 - A presentation will be made at the next State Board meeting concerning this program. This program involves Airbus and the young adults going through this program are in line to be hired once they have completed the program.

Meeting was adjourned at 12:47pm and the committee went into an executive session

Date: _____
Approved by: SWAPTE WDBEC

Signature: _____
John Clyde Riggs, SWAPTE WDB Secretary